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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-912 and C-570-913

Certain New Pneumatic Off-The-Road Tires from the People's Republic of China: Continuation of Antidumping and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, formerly Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: As a result of the determinations by the Department of Commerce (the Department) and the U.S. International Trade Commission (the USITC) that revocation of the antidumping duty (AD) order and revocation of the countervailing duty (CVD) order on certain new pneumatic off-the-road tires (OTR Tires) from the People's Republic of China (PRC) would likely lead to a continuation or recurrence of dumping and a continuation or recurrence of net countervailable subsidies and material injury to an industry in the United States, the Department is publishing a notice of continuation of these AD and CVD orders.

EFFECTIVE DATE: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]

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## SUPPLEMENTARY INFORMATION:

### Background

On August 1, 2013, the Department initiated a sunset review of these orders, pursuant to sections 751(c) and 752 of the Tariff Act of 1930, as amended (the Act).<sup>1</sup> As a result of its review, the Department determined that revocation of the AD order on OTR Tires from the PRC would likely lead to a continuation or recurrence of dumping and that revocation of the CVD order on OTR Tires from the PRC would likely lead to a continuation or recurrence of net countervailable subsidies and, therefore, notified the USITC of the magnitude of the margins of dumping and the subsidy rates likely to prevail should the order be revoked.<sup>2</sup> On January 22, 2014, the USITC published its determination, pursuant to sections 751(c) and 752 of the Act, that revocation of the AD and CVD orders on OTR Tires from the PRC would lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>3</sup>

### Scope of the Order

The products covered by the scope of these Orders are new pneumatic tires designed for off-the-road (OTR) and off-highway use, subject to exceptions identified below. Certain OTR tires are generally designed, manufactured and offered for sale for use on off-road or off-highway surfaces, including but not limited to, agricultural fields, forests, construction sites, factory and warehouse interiors, airport tarmacs, ports and harbors, mines, quarries, gravel yards, and steel mills. The vehicles and equipment for which certain OTR tires are designed for use

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<sup>1</sup> See Initiation of Five-Year (“Sunset”) Review, 78 FR 46575 (August 1, 2013).

<sup>2</sup> See Certain New Pneumatic Off-The-Road Tires from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Countervailing Duty Order, 78 FR 77101 (December 20, 2013); Certain New Pneumatic Off-The-Road Tires from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order, 79 FR 2415 (January 14, 2014), (collectively, Orders).

<sup>3</sup> See Certain Off-the-Road Tires From China, 79 FR 3624 (January 22, 2014).

include, but are not limited to: (1) agricultural and forestry vehicles and equipment, including agricultural tractors,<sup>4</sup> combine harvesters,<sup>5</sup> agricultural high clearance sprayers,<sup>6</sup> industrial tractors,<sup>7</sup> log-skidders,<sup>8</sup> agricultural implements, highway-towed implements, agricultural logging, and agricultural, industrial, skid-steers/mini-loaders;<sup>9</sup> (2) construction vehicles and equipment, including earthmover articulated dump products, rigid frame haul trucks,<sup>10</sup> front end loaders,<sup>11</sup> dozers,<sup>12</sup> lift trucks, straddle carriers,<sup>13</sup> graders,<sup>14</sup> mobile cranes,<sup>15</sup> compactors; and (3) industrial vehicles and equipment, including smooth floor, industrial, mining, counterbalanced lift trucks, industrial and mining vehicles other than smooth floor, skid-steers/mini-loaders, and smooth floor off-the-road counterbalanced lift trucks.<sup>16</sup> The foregoing list of vehicles and equipment generally have in common that they are used for hauling, towing, lifting, and/or loading a wide variety of equipment and materials in agricultural, construction and industrial

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<sup>4</sup> Agricultural tractors are dual-axle vehicles that typically are designed to pull farming equipment in the field and that may have front tires of a different size than the rear tires.

<sup>5</sup> Combine harvesters are used to harvest crops such as corn or wheat.

<sup>6</sup> Agricultural sprayers are used to irrigate agricultural fields.

<sup>7</sup> Industrial tractors are dual-axle vehicles that typically are designed to pull industrial equipment and that may have front tires of a different size than the rear tires.

<sup>8</sup> A log-skidder has a grappling lift arm that is used to grasp, lift and move trees that have been cut down to a truck or trailer for transport to a mill or other destination.

<sup>9</sup> Skid-steer loaders are four-wheel drive vehicles with the left-side drive wheels independent of the right-side drive wheels and lift arms that lie alongside the driver with the major pivot points behind the driver's shoulders. Skid-steer loaders are used in agricultural, construction and industrial settings.

<sup>10</sup> Haul trucks, which may be either rigid frame or articulated (i.e., able to bend in the middle) are typically used in mines, quarries and construction sites to haul soil, aggregate, mined ore, or debris.

<sup>11</sup> Front loaders have lift arms in front of the vehicle. They can scrape material from one location to another, carry material in their buckets, or load material into a truck or trailer.

<sup>12</sup> A dozer is a large four-wheeled vehicle with a dozer blade that is used to push large quantities of soil, sand, rubble, etc., typically around construction sites. They can also be used to perform "rough grading" in road construction.

<sup>13</sup> A straddle carrier is a rigid frame, engine-powered machine that is used to load and offload containers from container vessels and load them onto (or off of) tractor trailers.

<sup>14</sup> A grader is a vehicle with a large blade used to create a flat surface. Graders are typically used to perform "finish grading." Graders are commonly used in maintenance of unpaved roads and road construction to prepare the base course onto which asphalt or other paving material will be laid.

<sup>15</sup> I.e., "on-site" mobile cranes designed for off-highway use.

<sup>16</sup> A counterbalanced lift truck is a rigid framed, engine-powered machine with lift arms that has additional weight incorporated into the back of the machine to offset or counterbalance the weight of loads that it lifts so as to prevent the vehicle from overturning. An example of a counterbalanced lift truck is a counterbalanced fork lift truck. Counterbalanced lift trucks may be designed for use on smooth floor surfaces, such as a factory or warehouse, or other surfaces, such as construction sites, mines, etc.

settings. Such vehicles and equipment, and the descriptions contained in the footnotes are illustrative of the types of vehicles and equipment that use certain OTR tires, but are not necessarily all-inclusive. While the physical characteristics of certain OTR tires will vary depending on the specific applications and conditions for which the tires are designed (e.g., tread pattern and depth), all of the tires within the scope have in common that they are designed for off-road and off-highway use. Except as discussed below, OTR tires included in the scope of the proceeding range in size (rim diameter) generally but not exclusively from 8 inches to 54 inches. The tires may be either tube-type<sup>17</sup> or tubeless, radial or non-radial, and intended for sale either to original equipment manufacturers or the replacement market. The subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4011.20.10.25, 4011.20.10.35, 4011.20.50.30, 4011.20.50.50, 4011.61.00.00, 4011.62.00.00, 4011.63.00.00, 4011.69.00.00, 4011.92.00.00, 4011.93.40.00, 4011.93.80.00, 4011.94.40.00, and 4011.94.80.00. While HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope is dispositive.

Specifically excluded from the scope are new pneumatic tires designed, manufactured and offered for sale primarily for on-highway or on-road use, including passenger cars, race cars, station wagons, sport utility vehicles, minivans, mobile homes, motorcycles, bicycles, on-road or on-highway trailers, light trucks, and trucks and buses. Such tires generally have in common that the symbol “DOT” must appear on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Such excluded tires may also have the following designations that are used by the Tire and Rim Association:

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<sup>17</sup> While tube-type tires are subject to the scope of this proceeding, tubes and flaps are not subject merchandise and therefore are not covered by the scope of this proceeding, regardless of the manner in which they are sold (e.g., sold with or separately from subject merchandise).

Prefix letter designations:

- P - Identifies a tire intended primarily for service on passenger cars;
- LT - Identifies a tire intended primarily for service on light trucks; and,
- ST - Identifies a special tire for trailers in highway service.

Suffix letter designations:

- TR - Identifies a tire for service on trucks, buses, and other vehicles with rims having specified rim diameter of nominal plus 0.156" or plus 0.250";
- MH - Identifies tires for Mobile Homes;
- HC - Identifies a heavy duty tire designated for use on "HC" 15" tapered rims used on trucks, buses, and other vehicles. This suffix is intended to differentiate among tires for light trucks, and other vehicles or other services, which use a similar designation.
- Example: 8R17.5 LT, 8R17.5 HC;
- LT - Identifies light truck tires for service on trucks, buses, trailers, and multipurpose passenger vehicles used in nominal highway service; and
- MC - Identifies tires and rims for motorcycles.

The following types of tires are also excluded from the scope: pneumatic tires that are not new, including recycled or retreaded tires and used tires; non-pneumatic tires, including solid rubber tires; tires of a kind designed for use on aircraft, all-terrain vehicles, and vehicles for turf, lawn and garden, golf and trailer applications. Also excluded from the scope are radial and bias tires of a kind designed for use in mining and construction vehicles and equipment that have a rim diameter equal to or exceeding 39 inches. Such tires may be distinguished from other tires of similar size by the number of plies that the construction and mining tires contain (minimum of 16) and the weight of such tires (minimum 1500 pounds).

#### CONTINUATION OF THE ORDER

As a result of the determinations by the Department and the USITC that revocation of the AD and CVD orders would likely lead to a continuation or recurrence of dumping and net countervailable subsidies and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act, the Department hereby orders the continuation of the AD and CVD Orders on OTR Tires from the PRC. U.S Customs and Border Protection will continue to collect AD duty and CVD cash deposits at the rates in effect at the time of entry for all imports of

subject merchandise. The effective date of this continuation of the Orders will be the date of publication in the Federal Register of this notice of continuation. Pursuant to section 751(c)(2) of the Act, the Department intends to initiate the next five-year review of the Orders not later than 30 days prior to the effective date of the continuation.

The five-year (sunset) review and this notice are in accordance with section 751(c) of the Act and published pursuant to section 777(i)(1) of the Act and 19 CFR 351.218(f)(4).

Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

Dated: January 29, 2014. \_\_\_\_\_

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